



## District Board Meeting Agenda

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Pursuant to A.R.S. § 38-431.02 notice is hereby given to the public that the District Board of the Quail Creek Community Facilities District will hold a meeting at the date and time specified below at the Sahuarita Council Chambers, 375 West Sahuarita Center Way, Sahuarita, AZ. Members of the Quail Creek Community District Board will attend either in person or by telephone conference call.

To better serve our community, the Sahuarita Council Chambers is wheelchair accessible. Persons with a disability may request a reasonable accommodation, such as a sign language interpreter, by contacting the District Clerk's Office at 520-822-8801. Requests should be made no later than three (3) working days prior to the meeting to arrange the accommodation.

**May 23, 2022**  
**REGULAR MEETING AGENDA**  
**AT OR AFTER 6:00 P.M.**

- 1. Call to Order**
- 2. Roll Call**
- 3. Call to the Public**

*At this time, any member of the public is invited to address the District Board on any issue which is on tonight's Agenda or any issue which the District Board can lawfully act upon at a future meeting. Written comments regarding any item on the agenda or any issue which the District Board can lawfully act upon may be submitted prior to the beginning of the meeting for distribution to the District Board. Pursuant to the Arizona Open Meeting Laws, the District Board may not discuss the items, but individual members of the District Board may respond to criticism made by those who have addressed the District Board, may ask staff to review the matter, or may ask that the matter be placed on a future agenda.*

- 4. Consent Agenda**

- A. Approval of the October 25, 2021 Quail Creek Community Facilities District Regular Meeting Minutes.**

- 5. Discussion and possible adoption of Resolution No. 43 of the District Board of the Quail Creek Community Facilities District, a Community Facilities District of Arizona, approving a tentative budget for Fiscal Year 2023 in the amount of \$1,052,470.00 pursuant to Section 48-716, Arizona Revised Statutes, as amended; setting a public hearing date on said tentative budget; filing statements and estimates of the operation and maintenance expenses of the Quail Creek Community Facilities District, the costs of capital improvements to be financed by the approved ad valorem tax levy, and the amount of all other expenditures for public infrastructure and enhanced municipal services proposed to be paid from the tax levy and of the amount to be raised to pay general obligation bonds of the Quail Creek Community Facilities District, all of which shall be provided for by the levy and collection of ad valorem taxes on the assessed value of all the real and personal property in the Quail Creek Community Facilities District; providing for notice of**

filing the statements and estimates and notice of a public hearing on the portions of the statements and estimates not relating to debt service on general obligation bonds; and providing that this resolution shall be effective after its passage and approval according to law.

**6. Adjournment**

*Action may be taken by the District Board on any item listed on this agenda. The District Board may vote to go into executive session pursuant to A.R.S. § 38-431.03 (A) (3) for discussion or consultation for legal advice with the District Counsel concerning any matter listed on this agenda.*

*Notice to parents: Meetings of the District Board are audio and video recorded. If you permit your child to participate in the meeting, a recording will be made. You may exercise your right not to consent by not permitting your child to participate. You and your child may also leave the meeting at any time.*



## District Board Staff Report

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**TO:** Honorable Chairperson and District Board  
**FROM:** Lisa Cole MMC, District Clerk  
**MEETING DATE:** May 23, 2022  
**SUBJECT:** Approval of the October 25, 2021 Quail Creek Community Facilities District Regular Meeting Minutes.

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### FINANCIAL / BUDGET SUMMARY

### SUGGESTED MOTION

I move to approve the minutes as submitted (or amended).

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### EXECUTIVE SUMMARY

State law (A.R.S. §38-431.01) requires public bodies to provide and publish meeting minutes to document discussion and legal action taken by the District Board. The Board can make needed corrections to the meeting minutes before approval.

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### DISCUSSION

Draft minutes submitted for District Board approval.

### STAFF RECOMMENDATION

Staff recommends approval of the minutes.

### ATTACHMENTS

1. October 25, 2021 QCCFD Meeting Minutes



## District Board Meeting Minutes

**QUAIL CREEK COMMUNITY FACILITIES DISTRICT  
MEETING MINUTES  
October 25, 2021**

The District Board of the Quail Creek Community Facilities District met in the Sahuarita Council Chambers, 375 West Sahuarita Center Way, Sahuarita, AZ on Monday, October 25, 2021.

### 1. Call to Order

The meeting was called to order at 6:32 PM by Chairperson Tom Murphy.

### 2. Roll Call

Attendee Name	Title	Status	Arrived
Tom Murphy	Chairperson	Present	
Kara Egbert	Vice Chairperson	Present	
Bill Bracco	Board Member	Present	
Simon Davis	Board Member	Present	
Melissa Hicks	Board Member	Present	
Gil Lusk	Board Member	Present	
Deborah Morales	Board Member	Present	

Also in attendance were Interim District Manager A.C. Marriotti, District Counsel Dan Hochuli, and District Clerk Lisa Cole.

### 3. Call to the Public

There were no speakers.

### 4. Consent Agenda

**MOTION** was made to approve the consent agenda recommendations.

<b>RESULT:</b>	<b>APPROVED [UNANIMOUS]</b>
<b>MOVER:</b>	Melissa Hicks, Board Member
<b>SECONDER:</b>	Kara Egbert, Vice Chairperson
<b>AYES:</b>	Morales, Murphy, Egbert, Bracco, Davis, Hicks, Lusk

A. Approval of the September 27, 2021 Quail Creek Community Facilities District Regular Meeting Minutes.

B. Approval of Amendment No. Six (6) to Contract No. 170031 with EPS Group, Inc., for engineer services, commencing October 11, 2021 and terminating October 10, 2022; in an amount not to exceed \$300,000.00.

5. Adjournment

Chairperson Murphy adjourned the meeting at 6:33 PM.

\_\_\_\_\_  
Chairperson Tom Murphy

ATTEST:

\_\_\_\_\_  
Lisa Cole, MMC  
District Clerk

CERTIFICATION

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the Meeting of the District Board of the Quail Creek Community Facilities District held on the 25th day of October 2021. I further certify that the meeting was duly called and held and that a quorum was present.

Dated this 23<sup>rd</sup> day of May 2022.

\_\_\_\_\_  
Lisa Cole, MMC  
District Clerk



## District Board Staff Report

**TO:** Honorable Chairperson and District Board

**FROM:** A.C. Marriotti, District Treasurer

**MEETING DATE:** May 23, 2022

**SUBJECT:** Discussion and possible adoption of Resolution No. 43 of the District Board of the Quail Creek Community Facilities District, a Community Facilities District of Arizona, approving a tentative budget for Fiscal Year 2023 in the amount of \$1,052,470.00 pursuant to Section 48-716, Arizona Revised Statutes, as amended; setting a public hearing date on said tentative budget; filing statements and estimates of the operation and maintenance expenses of the Quail Creek Community Facilities District, the costs of capital improvements to be financed by the approved ad valorem tax levy, and the amount of all other expenditures for public infrastructure and enhanced municipal services proposed to be paid from the tax levy and of the amount to be raised to pay general obligation bonds of the Quail Creek Community Facilities District, all of which shall be provided for by the levy and collection of ad valorem taxes on the assessed value of all the real and personal property in the Quail Creek Community Facilities District; providing for notice of filing the statements and estimates and notice of a public hearing on the portions of the statements and estimates not relating to debt service on general obligation bonds; and providing that this resolution shall be effective after its passage and approval according to law.

### FINANCIAL / BUDGET SUMMARY

Tentative Budget: \$1,052,470

### SUGGESTED MOTION

I move to adopt Resolution No. 43.

### EXECUTIVE SUMMARY

This agenda item provides the District Board an opportunity to approve the Tentative Budget for fiscal year 2023 and to establish June 13, 2022 as the date for final budget and tax levy adoption.

### DISCUSSION

Staff will provide a presentation on the Tentative Budget at the meeting.

If the Resolution is approved, public notices for the established meeting where the Board will consider adopting the final budget and tax levy will be posted and published in accordance with State law.

**REVENUES****Property Taxes**

The District levies a property tax to (1) pay for debt service obligations and (2) to pay for operations and maintenance (O&M) costs.

- 1) The debt service tax rate is determined by calculation, based upon the assessed valuation of property within the District. Pursuant to the Development Agreement, however, this rate is capped at \$3.00 per \$100 net taxable assessed valuation (NTAV).

The District's debt service levy rate has been \$3.00/\$100 NTAV since bonds were issued in the mid-2000's. However, based upon the County Assessor's preliminary assessments for fiscal year 2023, the tax rate to cover debt service may be reduced to a rate of \$2.73/\$100 NTAV. This rate will continue to decline as the District builds-out and property values increase. Outstanding bonds will be paid off in 2030, at which point this levy will cease unless additional bonds are issued.

- 2) The O&M tax rate is capped at \$0.30/\$100 NTAV. The District has levied a rate of \$0.30/\$100 NTAV since the District was formed.

The proposed combined property tax rate levy for 2023 is \$3.03/\$100 NTAV. This is expected to generate \$1,052,370, including allowances for uncollectible amounts.

**Investment Income**

Property tax collections are held in trust, earning interest income, until debt service obligations are paid.

**Developer Contributions**

No developer contributions are budgeted for fiscal year 2023. As property valuations are sufficient to cover debt service obligations, the Master Developer's stand-by contribution payment is no longer needed.

**EXPENDITURES****Current Expenditures**

The proposed 2023 budget is \$100,150. This budget provides capacity to pay for:

- 1) General administrative costs
- 2) Street, right-of-way, and landscaping maintenances costs along public roads in the District
- 3) A portion of the Quail Creek Veterans Municipal Park maintenance costs (remaining costs are paid for out of the Town of Sahuarita General Fund).

**Debt Service**

These costs include bond principal and interest, and other costs such as bank trust fees. Principal is paid once a year. Interest is paid semi-annually.

In 2006, the District issued \$12.66 million in bonds to pay for roadways, portions of the Quail Creek Veterans Municipal Park, wash crossings, landscaping, and sewer lines. \$6.64 million of principal remains outstanding. The bonds will be paid off in 2030.

**FUND BALANCES**

There are no ending fund balances budgeted for 2023. The District is expected to consume all of its resources during the year.

**STAFF RECOMMENDATION**

Staff recommends adoption of Resolution No. 43.

**ATTACHMENTS**

1. QCCFD Resolution No. 43
2. QCCFD 2023 Tentative Budget Resolution Exhibit A



**QUAIL CREEK COMMUNITY FACILITIES DISTRICT  
RESOLUTION NO. 43**

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A RESOLUTION OF THE DISTRICT BOARD OF THE QUAIL CREEK COMMUNITY FACILITIES DISTRICT, A COMMUNITY FACILITIES DISTRICT OF ARIZONA, APPROVING A TENTATIVE BUDGET FOR FISCAL YEAR 2023 IN THE AMOUNT OF \$1,052,470 PURSUANT TO SECTION 48-716, ARIZONA REVISED STATUTES, AS AMENDED; SETTING A PUBLIC HEARING DATE ON SAID TENTATIVE BUDGET; FILING STATEMENTS AND ESTIMATES OF THE OPERATION AND MAINTENANCE EXPENSES OF THE QUAIL CREEK COMMUNITY FACILITIES DISTRICT, THE COSTS OF CAPITAL IMPROVEMENTS TO BE FINANCED BY THE APPROVED AD VALOREM TAX LEVY, AND THE AMOUNT OF ALL OTHER EXPENDITURES FOR PUBLIC INFRASTRUCTURE AND ENHANCED MUNICIPAL SERVICES PROPOSED TO BE PAID FROM THE TAX LEVY AND OF THE AMOUNT TO BE RAISED TO PAY GENERAL OBLIGATION BONDS OF THE QUAIL CREEK COMMUNITY FACILITIES DISTRICT, ALL OF WHICH SHALL BE PROVIDED FOR BY THE LEVY AND COLLECTION OF AD VALOREM TAXES ON THE ASSESSED VALUE OF ALL THE REAL AND PERSONAL PROPERTY IN THE QUAIL CREEK COMMUNITY FACILITIES DISTRICT; PROVIDING FOR NOTICE OF FILING THE STATEMENTS AND ESTIMATES AND NOTICE OF A PUBLIC HEARING ON THE PORTIONS OF THE STATEMENTS AND ESTIMATES NOT RELATING TO DEBT SERVICE ON GENERAL OBLIGATION BONDS; AND PROVIDING THAT THIS RESOLUTION SHALL BE EFFECTIVE AFTER ITS PASSAGE AND APPROVAL ACCORDING TO LAW.

BE IT RESOLVED BY THE DISTRICT BOARD OF QUAIL CREEK COMMUNITY FACILITIES DISTRICT as follows:

WHEREAS, on September 12, 2005, the Mayor and Council of the Town of Sahuarita, Arizona (the "Town"), adopted Resolution No. 1 forming Quail Creek Community Facilities District ("QCCFD"), a community facilities district in accordance with Section 48-701 et seq., Arizona Revised Statutes, as amended; and

WHEREAS, QCCFD is a special purpose district for purposes of Article IX, Section 19, Constitution of Arizona, a tax-levying public improvement district for the purposes of Article XIII, Section 7, Constitution of Arizona, and a municipal corporation for all purposes of Title 35, Chapter 3, Articles 3, 3.1., 3.2, 4 and 5, Arizona Revised Statutes, as amended, and [except as otherwise provided in Section 48-708(B), Arizona Revised Statutes, as amended] is considered to

be a municipal corporation and political subdivision of the State of Arizona, separate and apart from the Town; and

WHEREAS, a primary purpose for creating QCCFD was to finance certain public improvements needed for the development known as “Quail Creek” through assessment of ad valorem taxes on all real and personal property within QCCFD; and

WHEREAS, in accordance with Sections 48-719 and 48-723, Arizona Revised Statutes, as amended, a special election was held on November 8, 2005, wherein the qualified electors of QCCFD voted to issue general obligation bonds in the maximum amount of \$30,000,000 to cover costs of public infrastructure purposes, and to levy and collect an annual ad valorem tax at a rate not to exceed thirty cents (30¢) per one hundred dollars (\$100) of assessed valuation for operation and maintenance expenses of QCCFD; and

WHEREAS, in accordance with Sections 48-716 and 48-723, Arizona Revised Statutes, as amended, the District Treasurer of QCCFD has submitted to the District Board of QCCFD a proposed budget for fiscal year 2023, which includes statements and estimates of the operation and maintenance expenses of QCCFD, the costs of capital improvements to be financed by the authorized ad valorem tax levy, and the amount of all other expenditures for public infrastructure and enhanced municipal services proposed to be paid from the tax levy and of the amount to be raised to pay general obligation bonds of QCCFD, all of which shall be provided for by the levy and collection of ad valorem taxes on the assessed value of all the real and personal property within QCCFD; and

WHEREAS, the District Board of QCCFD desires now to approve said tentative budget for fiscal year 2023, to publish notice of having filed the required statements and estimates, and to set a date (and publish a notice thereof) for a public hearing to receive comment on the tentative budget and, particularly, on the portions of the statements and estimates not relating to debt service on general obligation bonds; and

WHEREAS, after said public hearing (and on or before October 1), the District Board of QCCFD expects to adopt a final budget by resolution; and

WHEREAS, on or before the third Monday in August, the District Board of QCCFD also expects to order the fixing, levying and assessment of required ad valorem taxes and to cause certified copies of the order to be delivered to the Pima County Board of Supervisors;

NOW, THEREFORE, BE IT RESOLVED BY THE DISTRICT BOARD OF THE QUAIL CREEK COMMUNITY FACILITIES DISTRICT, AS FOLLOWS:

1. That certain proposed budget prepared by the District Treasurer of QCCFD for fiscal year 2023, attached hereto and expressly made a part hereof as Exhibit “A” is hereby tentatively approved.

2. The statements and estimates of the operation and maintenance expenses of QCCFD, the costs of capital improvements to be financed by the approved ad valorem tax levy, and the amount of all other expenditures for public infrastructure and enhanced municipal services

proposed to be paid from the tax levy and of the amount to be raised to pay general obligation bonds of QCCFD in fiscal year 2023 are hereby filed in accordance with Arizona Revised Statutes Section 48-723(C), as amended, and are attached hereto and expressly made a part hereof as Exhibit "A."

3. A public hearing date of June 13, 2022, beginning at or after 6:00 p.m. at the Sahuarita Town Hall Council Chamber, 375 W. Sahuarita Center Way, Sahuarita, Arizona, is hereby set to consider said tentative budget (including, but expressly not limited to, consideration of those portions of the statements and estimates not relating to debt service on general obligation bonds of QCCFD), and said notice (attached hereto and expressly made a part hereof as Exhibit "B") shall be published once in the Sahuarita Sun no later than ten (10) days prior to said hearing date.

4. If any provision in this Resolution is held invalid by a court of competent jurisdiction, the remaining provisions shall not be affected but shall continue in full force and effect.

5. This Resolution shall be effective after its passage and approval according to law.

PASSED by the District Board of the Quail Creek Community Facilities District this 23rd day of May, 2022.

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Tom Murphy  
Chairperson  
Quail Creek Community Facilities District

ATTEST:

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Lisa Cole, MMC  
District Clerk  
Quail Creek Community Facilities District

APPROVED AS TO FORM:

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Daniel J. Hochuli  
District Counsel  
Quail Creek Community Facilities District

**EXHIBIT “A”**

**FISCAL YEAR 2023**

**QUAIL CREEK COMMUNITY FACILITIES DISTRICT BUDGET**

**(QCCFD STATEMENTS AND ESTIMATES OF EXPENSES FOR FISCAL YEAR 2023)**

Attachment: QCCFD Resolution No. 43 [Revision 1] (QCCFD 2023 Tentative Budget Adoption)

**EXHIBIT “B”****FORM OF PUBLISHED NOTICE**

QUAIL CREEK COMMUNITY FACILITIES DISTRICT  
 NOTICE OF FILING STATEMENTS AND ESTIMATES  
 AND  
 NOTICE OF PUBLIC HEARING

NOTICE OF FILING STATEMENTS AND ESTIMATES OF THE OPERATION AND MAINTENANCE EXPENSES OF THE QUAIL CREEK COMMUNITY FACILITIES DISTRICT, THE COSTS OF CAPITAL IMPROVEMENTS TO BE FINANCED BY THE AD VALOREM TAX LEVY, AND THE AMOUNT OF ALL OTHER EXPENDITURES FOR PUBLIC INFRASTRUCTURE AND ENHANCED MUNICIPAL SERVICES PROPOSED TO BE PAID FROM THE TAX LEVY AND OF THE AMOUNT TO BE RAISED TO PAY GENERAL OBLIGATION BONDS OF THE DISTRICT; AND NOTICE OF A PUBLIC HEARING ON THE PROPOSED FISCAL YEAR 2023 BUDGET OF THE DISTRICT IN THE AMOUNT OF \$1,052,470 INCLUDING A HEARING ON THOSE PORTIONS OF THE STATEMENTS AND ESTIMATES NOT RELATING TO DEBT SERVICE ON GENERAL OBLIGATION BONDS.

Notice is hereby given that statements and estimates have been filed in the Office of the District Clerk of the Quail Creek Community Facilities District of the operation and maintenance expenses of the District, the costs of capital improvements to be financed by the voter-approved ad valorem tax levy, and the amount of all other expenditures for public infrastructure and enhanced municipal services proposed to be paid from the tax levy and of the amount to be raised to pay general obligation bonds of the District, all of which shall be provided for by the levy and collection of ad valorem taxes on the assessed value of all the real and personal property in the District. Notice is further given of a public hearing on the proposed fiscal year 2023 budget of the District, including (but not limited to) a hearing on those portions of the statements and estimates not relating to debt service on general obligation bonds, all pursuant to Arizona Revised Statutes §§48-716 and 48-723. Such hearing will be held by the District Board on June 13, 2022, at or after 6:00 p.m. at the Sahuarita Town Hall Council Chambers, 375 W. Sahuarita Center Way, Sahuarita, Arizona. Copies of the budget are available from the Office of the District Clerk, 375 W. Sahuarita Center Way, Sahuarita, Arizona 85629, telephone number: (520) 822-8801; on the Town of Sahuarita website: [www.sahuaritaaz.gov](http://www.sahuaritaaz.gov); and at the Pima County Library, Sahuarita Branch, 670 W Sahuarita Rd, Sahuarita, AZ 85629.

Dated this 23rd day of May, 2022.

/s/ Shane D. Dille

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 District Manager  
 Quail Creek Community Facilities District

**QUAIL CREEK**  
**COMMUNITY FACILITIES DISTRICT**  
 SOURCES AND USES OF FUNDS

	<b>2023 Budget Amount</b>
<b><u>SOURCES</u></b>	
<b>Revenues:</b>	
Taxes	\$ 1,052,370
Investment Earnings	100
<b>Total Revenues</b>	<b>1,052,470</b>
<b>Beginning Fund Balance:</b>	
Restricted for QCCFD	-
<b>Total Fund Balance</b>	<b>-</b>
<b>TOTAL SOURCES</b>	<b>\$ 1,052,470</b>
<b><u>USES</u></b>	
<b>Current Expenditures:</b>	
General Government	\$ 1,120
Streets	18,850
Parks and Recreation	80,180
<b>Subtotal</b>	<b>100,150</b>
<b>Debt Service:</b>	
Principal	745,000
Interest	202,620
Other	4,700
<b>Subtotal</b>	<b>952,320</b>
<b>Total Expenditures</b>	<b>1,052,470</b>
<b>Ending Fund Balance:</b>	
Restricted for QCCFD	-
<b>Total Fund Balance</b>	<b>-</b>
<b>TOTAL USES</b>	<b>\$ 1,052,470</b>